

**SONTERRA MUNICIPAL UTILITY DISTRICT  
MINUTES OF BOARD OF DIRECTORS MEETING**

June 26, 2023

THE STATE OF TEXAS           §  
  §  
COUNTY OF WILLIAMSON       §

A meeting of the Board of Directors of Sonterra Municipal Utility District was held on June 26, 2023, at 113 Limestone Terrace, Jarrell, Texas. The meeting was open to the public and notice was given as required by the Texas Open Meetings Act. A copy of the Certificate of Posting of the notice is attached as **Exhibit “A”**.

The meeting was called to order at 12:00 noon and the roll of the members of the Board of Directors was called, as follows:

Camy Reynolds	-	President
John Faske	-	Vice President
Michael Cosimeno	-	Secretary
Raven Dunbar	-	Assistant Secretary
Sherry Roark	-	Assistant Secretary

All of the Directors were present, except Director Faske, thus constituting a quorum. Also present at the meeting were Jason Jones and Bart Clary of Jones-Heroy & Associates, Inc.; Dennis Hendrix of Crossroads Utility Services LLC (“*Crossroads*”); Allen Douthitt of Bott & Douthitt, PLLC; Carter Dean of Armbrust & Brown, PLLC; Andy Bilger and Darrell Goldman of Vecindario Management, LLC; representatives of Parker Communications, LLC; and Tom Slowbe, a member of the public.

After the Pledges of Allegiance to the United States and Texas flags, Director Reynolds stated that the Board would receive any Board member remarks and citizens communications. A representative of Parker Communications, LLC addressed the Board and asked that the \$25,000 penalty assessed against his company for a subcontractor’s water theft be reduced, since there was no evidence supporting four of the five days of alleged water theft on which the penalty was based. He stated that he would not allow his company or subcontractors to engage in water theft again. Director Reynolds stated that the Board would consider the matter under the operator’s report later in the meeting.

Director Reynolds next stated that the Board would consider the minutes of the May 15, 2023 Board meeting. Upon motion by Director Cosimeno and second by Director Roark, the Board voted 4-0 to approve the minutes, as presented.

Director Reynolds then stated that the Board would consider the First Amendment to Financial Advisory Services Agreement with Specialized Public Finance Inc. (“*SPFI*”) attached as **Exhibit “B”**. Mr. Dean stated that Garry Kimball of SPFI had advised that his firm had not raised its rates in approximately 15 years and, therefore, requested an increase now, as shown in Appendix A to the First Amendment. Mr. Dean noted that SPFI’s new requested rates remained competitive. Upon motion by Director Cosimeno and second by Director Dunbar, the Board voted 4-0 to approve the First Amendment to Financial Advisory Services Agreement.

Director Reynolds then stated that the Board would receive a report from the District’s bookkeeper. Mr. Douthitt reviewed the bookkeeper’s report attached as **Exhibit “C”** and recommended approval of the transfers and the Director and vendor payments as listed in his

report, noting that Director Faske's per diem for the meeting would be voided due to his absence. Upon motion by Director Cosimeno and second by Director Dunbar, the Board voted 4-0 to approve the transfers and the Director and vendor payments, with the void noted.

Director Reynolds next stated that the Board would receive a report from the District manager. Mr. Goldman first reported that water no longer drained from one of the District's splash pads to the adjacent resident's yard. He next advised that he believed additional patrol hours needed to be authorized to address ongoing mischief, primarily resulting from children who were out of school for the summer.

Director Reynolds then stated that the Board would consider matters related to parks and recreational facilities. Director Goldman stated that things were going well at the swimming pool. Director Reynolds stated that she and Director Cosimeno had, pursuant to their authority as the Parks and Recreation Subcommittee, decreased the fee for guests to the pool from \$5 per guest to \$2 per guest. Director Reynolds then stated that a representative of Williamson County had asked her whether the District would permit Williamson County to use the District's clubhouse as an early and day-of voting location. The Board generally agreed that it was amenable to this and would like to waive any rental fees. Mr. Dean stated that he would contact Williamson County regarding the necessary paperwork and present it and any necessary agreement to the Board for consideration at a subsequent Board meeting.

Director Reynolds next stated that, since no one was present to provide a report on behalf of the Jarrell Community Library and Resource Center, the Board would consider items related to District security. Director Reynolds stated that a fight had occurred at the District's playground, which resulted in the issuance of three criminal trespass warnings to the participants. She next stated that the Board needed to increase the number of monthly patrol hours to address an increase in security issues. Upon motion by Director Dunbar and second by Director Cosimeno, the Board voted 4-0 to increase the number of monthly patrol hours to 125. Director Reynolds also stated that the hourly compensation for patrol officers needed to be increased to keep up with increases in the area. The Board generally agreed that the officers' hourly rates should be increased by \$15 per hour, which was in line with the current market rates. Director Reynolds added that Deputy Kidwell had informed her that one or two more officers would need to be contracted to provide additional hours. Mr. Dean stated that he would prepare amendments to the District's patrol contracts and a new agreements for the possible new officers for consideration at the next Board meeting.

Director Reynolds then stated that the Board would not receive a report from Landscape Designs & Lawn Care, since Mr. Castro was absent.

Director Reynolds then stated that the Board would receive a report from the District's operator. Mr. Hendrix presented Crossroads' report, attached as **Exhibit "D"**, and reviewed it with the Board. He advised the Board that, as of the end of May, the District had 4,080 occupied single-family connections and a total of 4,282 accounts and that there had been 60 new taps sold in May and a total of 269 for the fiscal year. Mr. Hendrix reported that there had been a water loss of 12.07% during the prior reporting period and four write-offs. He then stated that Dubois Well Services had determined that Well No. 2's pump had holes and needed to be replaced. He requested authorization from the Board to solicit bids to replace the pump and approve the lowest bid. Upon motion by Director Cosimeno and second by Director Dunbar, the Board voted 4-0 to so authorize Mr. Hendrix. Mr. Jones stated that the cause of the holes was unclear, but that it may be electrical currents from a nearby Bartlett Electric Cooperative substation. Mr. Hendrix then stated that he had assessed a \$5,000 penalty for each of five days of water theft by one of Parker Communications' subcontractors, but that there was only documented evidence for one of the days. The Board directed Mr. Hendrix to only assess Parker

Communications for the one proven day of water theft, in the amount of \$5,000, in accordance with the District's Rate Order.

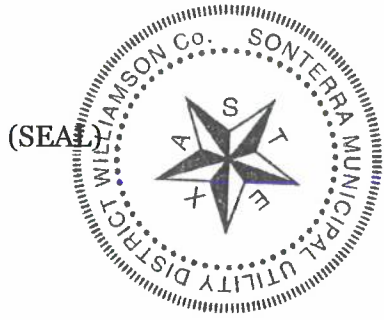
Director Reynolds then recognized Mr. Jones for the purpose of receiving the engineer's report. Mr. Jones reviewed his report with the Board, attached as **Exhibit "E"**. He stated that there was still money to disburse from the District's twelfth bond issue to reimburse the developer for land-related expenses. He then stated that his office was determining what land needed to be conveyed from the Sonterra West HOA or the developer to the District, including land on which parks and recreational facilities were located. He noted that the facilities located on such tracts would also need to be added to the District's property insurance coverage.

Director Reynolds stated that the Board would receive a report from the District's attorney. Mr. Dean stated that the Texas Municipal League Intergovernmental Risk Pool would be increasing its coverage rates upon the District's next renewal. He next reviewed the Order Establishing Revised Drought Contingency Plan and Adopting Water Conservation Plan attached as **Exhibit "F"** with the Board. Discussion ensued between Mr. Jones and the Board regarding the District's water conservation goals. After discussion, upon motion by Director Dunbar and second by Director Cosimeno, the Board voted 4-0 to approve the Order Establishing Revised Drought Contingency Plan and Adopting Water Conservation Plan, as modified to include a water conservation goal of a 1% reduction in water use each year over the next ten years. Mr. Dean then stated that he and Mr. Jones had been working with Mr. Slowbe regarding the First Amendment to Interlocal Agreement for Pass-Through Wastewater Service and Fire Flow Water Capacity [Cornhill Business Park] attached as **Exhibit "G"**. He reviewed the First Amendment with the Board, noting that it would include the additional approximately 10-acre tract requested by Mr. Slowbe as part of the area to which pass-through wastewater service would be provided, and that the fire flow component needed to be further negotiated. Mr. Slowbe requested that the First Amendment additionally include a provision authorizing fire flow to the new tract, instead of deferring the matter. Mr. Jones stated that the fire flow component would require input from Jarrell-Schwertner Water Supply Corporation. After discussion, upon motion by Director Cosimeno and second by Director Dunbar, the Board voted 4-0 to approve the First Amendment to Interlocal Agreement for Pass-Through Wastewater Service and Fire Flow Water Capacity [Cornhill Business Park], as presented.

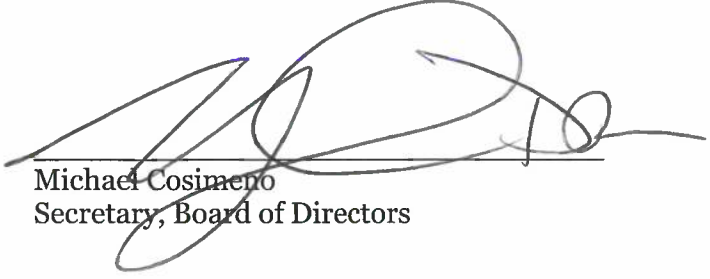
Director Reynolds then stated that the Board would consider matters related to the District's personnel. She stated that she had spoken with Mr. Bilger regarding Vecindario's provision of management services to the District and clarified that Mr. Goldman would be the "boots on the ground" for day-to-day operations, while Mr. Bilger would remain the head manager. She added that the District's agreement with Vecindario would need to be reviewed and an amendment negotiated in order to further clarify the services provided thereunder. Mr. Bilger stated that he wanted to make sure that the District's management and the Board were aligned and that the District made a successful transition from a developing District to a built-out District.

Director Reynolds stated that the Board would consider its future meeting schedule and agenda items. The Board generally agreed that it would meet next month on its regular meeting date for both a 3:00 p.m. budget work session, and its regular 6:00 p.m. meeting.

There being no further business to come before the Board, the meeting was adjourned.



Date: July 17, 2023



Michael Cosimeno  
Secretary, Board of Directors